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THE QADDAFI CONNECT

By Seymour M. Hersh

Five years ago, two former operatives of the United States Central Intelligence Agency — Edwin P. Wilson and Frank E. Terpil — made a business deal with Col. Muammar el-Qaddafi, the ruler of Libya. In essence, the former C.I.A. men, who had become partners in an export-import business, agreed to sell Colonel Qaddafi their accumulated years of American intelligence-agency contacts, experience and expertise. Theirs was a product that could not be purchased on the open market. The colonel, who boasts of supporting terrorism in the Middle East, Europe and Africa and who has been attempting to set up his own new federation of Arab and Moslem states, was willing — and able, because of his vast oil wealth — to pay dearly.

As a result, the two Americans, according to Federal investigators, have made millions of dollars aiding Qaddafi in his drive to export terrorism and build his own Middle Eastern power. Under cover of their export-import business, Wilson and Terpil are said to have helped Libya set up a manufacturing plant for the production of assassination weapons; to have themselves helped Qaddafi plan political assassinations; to have recruited dozens of former Green Berets to teach Libyan soldiers and Arab terrorists how to handle volatile explosives — how, for example, to turn ashtrays into weapons of terror; to have illegally shipped arms explosives to Libya with the aid of forged and fraudulent State Department export

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certificates, and to have involved former C.I.A. employees in the projects.

Information about the Qaddafi connection has been known by the Government since the fall of 1976. It was then that Kevin P. Mulcahy, at the time partner of Wilson and Terpil, approached the C.I.A. and the Federal Bureau of Investigation with grave doubts about the legality and ethics of his company's business dealings in Libya. Mulcahy, a former C.I.A. employee who had spent six months in the Wilson-Terpil operation, would spend hundreds of hours, over the next few years, providing the Government with firsthand knowledge.

Kevin Mulcahy has now decided to tell his story publicly for the first time. He's tired of waiting for this segment of his life to end. He wants to be listed again in the telephone directory, to have a driver's license in his own name, to vote, to own property, to stop living in fear — and not Wilson and Terpil — who have been indicted for wrongdoing. He feels he is forced now, in effect, to give testimony in the pages of *The New York Times*. The essentials of his account have been verified where possible through secret documents and in interviews with key members of the State Department, the Justice Department, the F.B.I., the United States Attorney General's office in Washington, as well as with Stansfield Turner, the former head of Central Intelligence, and other high-ranking C.I.A. officials.

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The Wilson-Terpil case is a story of Americans who meet secretly in bars and board rooms to arrange the illegal sale of electronic-spying equipment and terror weapons, and of Americans who train assassins abroad. It is a story of an old network of former C.I.A. operatives, military men, and a story of present